



Legislation Text

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Res. No. 523

Resolution calling upon the New York State Legislature to introduce and pass, and the Governor to sign, legislation requiring greater and more consistent disclosure of medical estimates by hospitals operating in the State of New York.

By Council Members Narcisse, Menin, Cabán, Gutiérrez and Brannan

Whereas, Hospitals across New York State vary widely in their price estimates for medical items and services provided in connection with inpatient admissions and outpatient visits, despite similarities in hospital size, range of services offered, and available resources; and

Whereas, Inconsistent and misleading disclosures surprise consumers with higher-than-estimated medical bills, putting them at risk for accruing medical debt and worsening socioeconomic health care disparities; and

Whereas, Inaccurate reporting in turn delays the provision of timely medical care by extending the decision-making process for potential patients; and

Whereas, A statewide survey on health care affordability conducted by PerryUndem in 2022 illustrates the concerns that New Yorkers have about the current system, as 38 percent of the 805 participants said they or a family member are sacrificing necessary health care due to costs; and

Whereas, To combat this issue, the U.S. Centers for Medicare and Medicaid Services (CMS) promulgated 45 C.F.R. part 180 (Part 180), which requires hospitals operating in the United States to provide clear, accessible pricing information online about the items and services they provide; and

Whereas, Part 180 instructs hospitals to make public a “machine-readable file” that contains the standard charges for all items and services, as well as a consumer-friendly list of “shoppable services” written

in plain language; and

Whereas, Although CMS audits hospitals for compliance with Part 180 and issues civil monetary penalties to noncompliant institutions, hospitals nevertheless have been slow to comply with the price transparency rules; and

Whereas, According to a September 2022 article in Health Affairs, between July and September 2021, fewer than 6 percent of hospitals had disclosed prices as required; and

Whereas, Even when hospitals had complied with the rules, experts found the data to be inconsistent in terms of how data elements were defined and displayed, thereby making it difficult for consumers to compare across hospitals; and

Whereas, The Kaiser Family Foundation (KFF) and the Peterson Center on Healthcare published a study in February 2023 aimed at measuring how well hospital price disclosures facilitate price comparisons for consumers; and

Whereas, The study indicated that the chief difficulty in assessing the value of the price transparency data was identifying comparable items and services across hospitals, largely because the data and descriptions were inconsistent and unstandardized; and

Whereas, The KFF study concluded that hospitals should focus on facilitating simple and accessible price comparisons, and that standardization in reporting requirements would improve reliability and usability of the data; and

Whereas, A separate study published in the Journal of the American Medical Association: Internal Medicine in September 2023 examined 60 U.S. hospitals of varying rank and calculated the differences between each hospital's online and phone prices for vaginal childbirth and brain MRI; and

Whereas, Among the hospitals where prices were available online, the online price often did not match the prices provided over the phone, and many hospital staff members were unable to provide a price despite it being available on the hospital website; and

Whereas, The results of the study demonstrate hospitals' continued problems in knowing and communicating their prices for specific services, as well as the challenges for consumers to accurately comparison-shop for health care; and

Whereas, In an effort to ensure compliance with Part 180, the Arizona State Legislature directed the Arizona Department of Health Services in 2023 to annually verify each hospital's compliance with federal statute and to publish a public list of all noncompliant institutions; and

Whereas, The Colorado State Legislature declared in 2022 that if a hospital is not in material compliance with hospital price transparency laws on the date that items or services are provided to a patient, that hospital shall not be permitted to pursue collection action against the patient for debts owed for those items or services; and

Whereas, In 2023, the Texas State Legislature enacted its own enforcement mechanism by authorizing the Texas Health and Human Services Commission to impose administrative penalties against noncompliant hospitals; and

Whereas, Legislation creating an independent state regulatory body in New York would lead to improvements in medical estimates because such a body could enforce standardized reporting requirements, verify each hospital's compliance with price transparency laws, and administer penalties against noncompliant institutions; and

Whereas, Such a bill should also condition certain funds for hospitals on their material compliance with the federal hospital price transparency law, rules, and regulations; and

Whereas, A.7775, also known as the Transparency in Health Care Fees Act, introduced in the New York State Assembly by Assembly Member Jo Anne Simon, would require health care providers, before performing any health care services, to advise patients in writing of the fee to be charged to the patient for the services to be rendered in the event such fee is not paid for by insurance; and

Whereas, S.8988, introduced in the New York State Senate by Senator James Skoufis, would require the

State Commissioner of Health to report monthly on hospital compliance with federal hospital price transparency law, rules, and regulations, and would prohibit noncompliant hospitals from receiving funds from the state general hospital indigent care pool; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State Legislature to introduce and pass, and the Governor to sign, legislation requiring greater and more consistent disclosure of medical estimates by hospitals operating in the State of New York.

JG/NW
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